Background

The City of San Diego has long been recognized as a well-managed City and a national leader in fiscal and performance management. These characteristics have consistently earned the City a strong bond rating. This, combined with the City's history as a continuous innovator in new processes and technologies, makes the City of San Diego a role model in providing quality services at a low per capita cost. Despite the low cost per capita of service delivery, statistically significant opinion surveys continually show resident satisfaction with City services at an exceptionally high rate with the most recent survey reflecting a 95% resident satisfaction rating.

While San Diego's strong fiscal condition softened the impact, the City could not entirely avoid the negative effect of the recession of the early 1990s. The recession hurt nearly every sector of the state economy, including local government. Cities and counties statewide were forced to curtail expenditures and services due to reduced tax receipts. The City of San Diego was no exception to this trend; however, the City responded to this adversity by implementing a strategy of "doing more with less." Through a combination of best practices and implementation of a Performance Management Program, the City continued to provide quality services with limited resources.

This strategy of "doing more with less" was augmented by the recommendations produced by a citizen task force and employee suggestions. Citizens to Help Advocate Needed Government Efficiency and Effectiveness (CHANGE[2]) was a citizen task force, created by the Mayor in 1994 to examine the City's municipal government, identify areas where the City could improve its performance, and recommend changes. The Streamlining for Efficiency and Productivity (STEP) program was also initiated; it focused on employee suggestions and ideas that supported continuous process improvement.

With the partnership of private and public sector approaches under the CHANGE[2] and STEP programs, the City reinvented itself in designing service delivery and providing key government services with fewer resources. This new program, called the Performance Management Program, is based on the recommendations from CHANGE[2] and STEP. As a program designed to improve City services, the Performance Management Program seeks to improve City operations through several key processes identified through these recommendations and through existing City best practices.
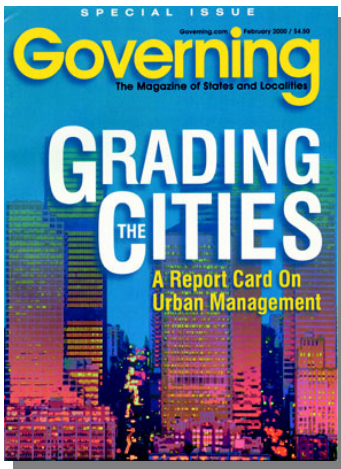
The Performance Management Program responds to:

- City Council/Mayor interest and expectations

- Increased focus on "running government like a business" (i.e., being competitive)

- Public demand for greater efficiency, effectiveness and economy

- Reduced revenues and budgets

- "Doing more with less" (Downsized and flattened organization)

- Perception of government "waste"

- Increased demand for greater accountability

Performance Management Program
Programs Designed to Improve City Operations

Since the inception of the Performance Management Program, the City has received national and international recognition for the many programs operating within the Performance Management Program. The City's continual efforts to refine performance measures, identify potential new performance measures, develop tracking techniques, and create new reporting mechanisms has led to one of the most comprehensively developed Performance Management Programs in the country. Reported accurately, performance information provides a basis for describing whether the organization is accomplishing its purpose, determining the effectiveness and efficiency of a program, and exploring means to improve the program or service.

The City of San Diego's effective Performance Management Program has received praise from professionals from the public administration field. In the February 2000 edition of *Governing* magazine, 35 cities were rated in the categories of financial management, human resources, information technology, capital management, and managing for results. The City of San Diego was ranked near the top nationally in the magazine's study.

In the "Financial Management" category, the City was recognized for its comprehensive investment policies, including regular monitoring reports and strict oversight of cash management. In addition, the City's budget document was considered "highly readable and clearly identified issues and goals, as well as relevant economic conditions."

> *San Diego deserves special recognition for going beyond most other cities in cost accounting. It can tell you the cost per residential ton of refuse recycled or the average cost per foot of sewer mains cleared. The utility of such data is enormous.*

Only one city was rated higher than the City of San Diego in the category "Managing for Results":

> *San Diego is now near the head of the class in Managing for Results. Performance measures and goals can be found within each department, with citizen feedback included. The budget makes outstanding efforts to tie its spending figures to performance measures. … Another safeguard against mediocrity: San Diego publishes comparative data from other cities to identify best practices and opportunities for improvement.*

The Government Finance Officers Association (GFOA) recognized the City of San Diego as one of four in the nation to use best practices in Financial Management. The Performance Management Program was lauded in the April 2000 *Government Finance Review*:

> *Comparing program and service performance with other jurisdictions allows governments to monitor their accomplishments more effectively. More importantly, intergovernmental comparisons allow governments to identify and incorporate "best practices." The City of San Diego has improved its financial management, performance measurement system, and organizational performance by establishing its own benchmarking process comparing itself to similar governments.*
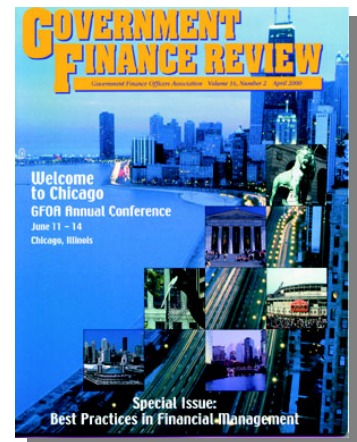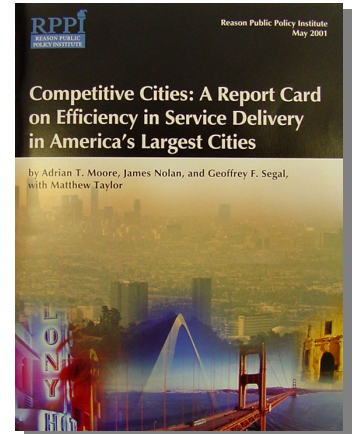
Performance Management Program
Programs Designed to Improve City Operations

At its June 2000 conference, the Government Finance Officers Association (GFOA) recognized the City of San Diego with its prestigious national Award for Excellence for the Zero Based Management Review Program.

More recently, in its May 2001 issue, the Reason Public Policy Institute published the results of a study of 44 of the nation's 50 largest cities. In this report, San Diego was ranked first in California and sixth overall for providing efficient government services to its citizens. The non-partisan Reason Public Policy Institute scrutinized seven years of budget and performance data to create its report, "Competitive Cities: A Report Card on Efficiency in Service Delivery in America's Largest Cities."

Components

The Performance Management Program is categorized into the following areas:

- **Performance Based Budgeting (PBB)** – this ongoing budgeting program links measured results with allocations of funding. Departments are responsible for creating measurements to track the efficiencies of their operations. This data enables policy makers to make operational and budgetary decisions that relate levels of spending to the services provided to the public. The PBB program includes customer surveys designed to measure satisfaction with department services.

- **Zero-Based Management Reviews (ZBMR)** – through this program, a group of citizen volunteers reviews all aspects of City operations to provide recommendations for improvements. Initiated in 1995, ZBMR is administered through the Select Committee on Government Efficiency and Fiscal Reform.

- **Budget Analysis** – to further improve the budgetary process and encourage greater communication of the City's goals and objectives, the City Council initiated a comprehensive budget review of selected departments and City practices. The Park and Recreation Department and Water Department were the first departments to undergo this program under the direction of Councilmembers Scott Peters, Toni Atkins and Jim Madaffer.

- **Optimization Program** – this program serves to optimize service delivery and business operations, and provide and maintain the highest quality service for the optimum cost to residents, businesses, tourists, and visitors. Initiated in 1994, this program currently administers Citywide surveys and continues to serve as a catalyst for change, process improvement, and cost reduction initiatives throughout the City through its reengineering efforts.

- **Performance Audits** – the City Auditor's Office conducts audits on selected performance measures to insure accuracy of input, output, efficiency, and outcome reporting. Once the audit report is completed the audit results are issued to the Department's Director and the Financial Management Department. Based on the results, Departments have the opportunity to refine their performance measures.

Performance Management Program

Programs Designed to Improve City Operations

- **Service Efforts and Accomplishments (SEA)** – this annual publication provides spending and staffing history, program overviews and accomplishments, performance measures, comparisons to other jurisdictions, and resident satisfaction ratings. Currently, ten City departments that provide direct services to the public participate in the SEA. In addition, the Semi-Annual Performance Report (SAPR) of 44 indicators representing twelve City departments is now incorporated into the SEA. Results of various elements of the Performance Management Program are included within SEA reporting.

- **Citywide Automation Efforts** – the City has embarked upon implementing its first Information Technology (IT) Strategic Plan, with four strategic goals: (1) Improve the delivery and cost-effectiveness of IT services (internally among departments across the City); (2) Enhance the ability to make business-driven technology decisions; (3) Establish the technical infrastructure necessary to provide electronic service delivery channels to citizens and facilitate economic growth; and (4) Improve internal City operations and City management's ability to make informed decisions. There are several Citywide and departmental technology initiatives either in progress to be completed or planned to start this year, which will provide both improved services and new methods of providing service.

- **Benchmarking** – this is a continuous, systematic process used to evaluate the quality and cost of services and products delivered by the City and compare them with private and public industry leaders. The benchmarking process involves a number of steps that identify comparables, collect data, determine performance, communicate findings, establish improvement, develop action plans, implement actions, monitor results, and recalibrate findings.

- **Citywide Surveys** – these include the annual Citywide Resident Satisfaction Survey and department customer surveys. The *Citywide Resident Satisfaction Survey* determines residents' level of satisfaction with major services, perceptions of safety, and attitudes about the quality of life in San Diego. Finally, many departments conduct their own surveys to measure satisfaction with their key services.

- **Priority Setting** – because the demand for public services always exceeds the ability to finance them, priority setting is an essential function in local government. In the City of San Diego, resident input is valued as the most important commodity in that process. As a consequence, numerous processes have been developed to gather that input. These include information gathered from resident input and education sessions through the City's cable access programs, Internet web page, community service centers, multiple resident surveys, and various community forums and presentations. This information is then the subject of internal staff review and publicly noticed meetings with the Mayor and City Council to set the priorities.

Performance Based Budgeting

Performance Based Budgeting is a system of budgeting that reflects services by activities and identifies the resources that are applied to these activities. How efficiently and effectively the City performs these services is determined by the development of meaningful performance measures and linking those measures to their associated funding allocations.

City departments have made concerted efforts to develop performance measures that are consistent with their missions, goals, and objectives. The measures developed by each City department state what is going to be accomplished, how/how well it is going to be accomplished, the outcome or impact to its customers, and what it is going to cost as defined by the following measures:

- **Input** (Resource Allocation) describes the amount of resources needed to provide a service or product. Input includes labor, material, supplies, and equipment.

- **Output** (Workload/Quantity) describes the amount or level of product or service provided.

- **Efficiency Measure** (Productivity/Cost Effectiveness) describes the unit cost of the service performed or product delivered. It is usually expressed as "average cost per…"

- **Outcomes** (Quality/Result) describe the extent that success has been achieved or how well a program is working. Effectiveness measures can be further described as **internal** (usually not visible to the customers, but important to the success of the objective) or **external** (impact or effect on the citizen/customer).

Performance measures may be presented in a variety of formats, such as charts, lists, tables, or as a narrative of accomplishments. In the City of San Diego, performance measures are communicated through the annual budget document and the annual Service Efforts and Accomplishments document. In the annual budget, measures for key service areas are found in the "Performance Measures" section of most department budget commentaries in Volumes Two and Three.

Measuring performance plays a critical role in providing high quality services efficiently and effectively. Performance measures can be used to make programs more understandable to the public and decision makers, evaluate programs and improve practices, guide the development of the budget process, make resource allocation decisions, and enhance the quality of public services.

Performance Management Program

Programs Designed to Improve City Operations

Zero Based Management Review (ZBMR)

Background

A principal recommendation from CHANGE[2] was to utilize citizen review teams to conduct independent operational reviews of all City departments at least once every five years. This process, known as a Zero Based Management Review (ZBMR), began in Spring 1995 with a pilot project to review the Equipment Division; it continues today with ongoing reviews and responses involving most City departments. Each year, ZBMR teams review approximately 20% of City operations (as determined by a percentage of total City budget). Every five years, a department can expect to be reviewed by the ZBMR team.

ZBMR is now an integrated part of the City's Performance Management Program. The Select Committee on Government Efficiency and Fiscal Reform (also referred to as the Select Committee) administers ZBMR. One of the major functions of the Select Committee is to receive, review, and discuss ZBMR reports. The committee reports to The Rules, Finance and Intergovernmental Relations Committee, and consists of three City Council members and two citizen appointees from each City Council district, for a total of 16 citizen appointees.

The City contracts with a local non-profit organization that specializes in providing comprehensive management assistance and consultant resources to public and nonprofit organizations in the region. It recruits high-level talent to conduct the ZBMR studies or reviews, facilitates the volunteer work during the study period, and produces the final ZBMR reports. The non-profit organization is paid by the City for the cost of recruiting the volunteers, the volunteers' mileage and meals when they are doing work related to the review, and the cost of coordinating and producing the actual report.

Process

During the past seven years, the basic procedural steps for ZBMR have essentially remained the same:

1. **The Work Program** – Annually, the City Manager presents a proposed ZBMR Work Program encompassing approximately 20% of the City's operational budget for the review teams to undertake. The proposal is presented to the Select Committee.

2. **Recruitment of Citizen Volunteers** – the local nonprofit organization should have a strong relationship with the business community by virtue of its primary function to serve as a resource to that community. One of the Select Committee members, who was on the original CHANGE[2] committee, serves as the program coordinator and chief recruiter for the non-profit organization who conducts the review.

   While many of the citizen volunteers are retired executives, many are active members of the business community who are willing to lend their time and expertise. The professional profile of these volunteers, both active and retired, varies depend-

ing on the particular operation being reviewed, but two characteristics have been constant: 1) expertise in at least one type of subject matter; and 2) a managerial or macro perspective. For example, review of a major department with perceived morale issues had a review team consisting of a human resources director and a vice president/human resources, each from a Fortune 500 company. The team reviewing the Police Department's fleet operation and maintenance program included the vehicle repair operations manager of one of San Diego's largest car dealers.

3. **The Zero Based Management Reviews** – The Zero Based Management Reviews began in the spring of 1995 and have followed the same format since that time.

   a. Projects begin with assembling a team of qualified senior management volunteers. Each team consists of two members, and the number of teams depends upon the size and scope of the review. As many as seven teams have been deployed at one time in the past, although three to four teams are more commonly assigned to any one project.

   b. The City Manager or one of the deputy city managers, the department director and the senior staff of the function being reviewed meet with the team(s) to initiate the study. The meeting is intended to establish a working relationship between department personnel and the teams as well as to provide the City Manager an opportunity to provide information about the process and make his expectations of City staff clear, including full cooperation with the team(s).

   c. The studies generally take about six weeks with the team(s) meeting and interacting with staff a couple of times a week for up to four hours. The focus is on macro rather than micro issues, and the recommendations have generally resulted from three primary sources:

   • Employees – The employees who do their work every day are one of the best sources of information in determining how to do that work more efficiently and effectively. The ZBMR process provides an opportunity to bridge any organizational barriers by creating an open forum to communicate and express opinions.

   • Team Expertise – Putting time and energy into insuring that the citizen volunteers are highly qualified pays off in the form of insightful observations and recommendations.

   • Collaboration – A combination of the first two sources yields a significant third source. Teams raise issues from a fresh perspective and motivate staff to revisit traditional policies or work procedures. This informal give and take during the review helps to shape the formal ZBMR report into practical recommendations that are more likely to be carried out.

   d. Each ZBMR team drafts a statement of findings and recommendations for the program they reviewed. Occasionally, external information or comparative benchmark data supplements their conclusions. Staff from the local nonprofit organization compiles and edits these written reports, organizing the observations and recommendations of each of several teams into one overall department report.

4. **Department Review** – Before the City Manager or any of his immediate staff see the report, a draft is shared with the department head and staff to provide them with the opportunity to correct errors or misconceptions, challenge recommendations, and discuss the report in general.

5. **City Manager Review** – Once input from the department is incorporated into the report (if the review team(s) agree), the program coordinator meets with the City Manager, the Deputy City Manager over the particular function, and the Financial Management Director, who is the overall project coordinator for the City. This review provides the City Manager the opportunity to comment on and have input into the report before it is finalized. It also provides the coordinator the opportunity to informally discuss issues regarding the study and the overall team experience.

6. **Select Committee on Government Efficiency and Fiscal Reform Review** – Once the City Manager has had 30 days to review and comment upon the report, the coordinator finalizes the report and presents it at a public meeting and makes a presentation of the principal points in the report. This allows opportunities for questions and discussion.

7. **Department Response** – Departments are provided 30 to 60 days to respond to the recommendations, prepare an implementation plan, and provide any comments they feel are appropriate.

8. **Select Committee on Government Efficiency and Fiscal Reform Review** – Department responses are presented in the public Select Committee on Government Efficiency and Fiscal Reform meeting and discussion generally focuses on those areas where there are disagreements. Decisions are made relative to disagreements and implementation plans are approved. Any need for follow up is discussed and time frames established.

9. **Annual Progress Review** – Review of recommendations and implementation plans are revisited annually by the City Manager to determine progress relative to established time lines. Results are reviewed and discussed in public at the Select Committee on Government Efficiency and Fiscal Reform meetings.

Cost Savings

The ZBMR process is ongoing with new recommendations and their implementation continually adding to the overall cost savings and avoidance of new costs. The combined cumulative savings attributed to the ZBMR and Optimization programs currently exceeds $150 million. The savings which actually have been achieved have been utilized for a variety of purposes as is the case in any allocation process: reducing the budget; adding expenditure items such as new technologies, better training for personnel, or reallocations to higher priorities; or may be reflected as avoidance of new or higher costs due to improved business practices.

The following table provides a summary of the recommendations and recurring savings-to-date in the Metropolitan Wastewater Department.

METROPOLITAN WASTEWATER DEPARTMENT	
ZBMR Recommendations – *June 1997*	**Status**
Consolidate staff from rented spaces at downtown facilities to Metropolitan Wastewater Department Operations Center complex.	Additional benefits include improved coordination and communication. Implemented in Fiscal Year '01. Actual Savings $850,000
Collections Division: Improve efficiencies and reduce overtime costs. Improve monitoring and management of equipment and personnel.	Implemented in Fiscal Year '98. Actual Savings $780,000
Lab Consolidation: sharing of staff equipment among Industrial Waste Lab, Wastewater Chemistry Lab, and Water Lab to reduce duplication.	Implemented in Fiscal Year '98. Actual Savings $503,981

Additional Citywide recommendations include the following:

CITY OF SAN DIEGO ZBMR RECOMMENDATIONS
Water Department Reengineer the Operations Division around processes, rather than around traditional functional lines. Improve the system for issuing trucks to field personnel based on job requirements. **Police Department - *Fleet Maintenance Division*** Reduce police equipment accident levels through ongoing driver training and a review of vehicle lighting and safety equipment. **Engineering and Capital Projects Department** Implement a computerized project management and tracking system department-wide to achieve project management process improvements and cost reductions. **Park and Recreation Department** Implement a program of increased supervisory flexibility and workforce streamlining to achieve productivity improvements in turf, horticultural, and custodial maintenance.

Performance Management Program
Programs Designed to Improve City Operations

Conclusion

ZBMR is a program aimed at providing opportunities for professionals from the private sector and the public sector to meet, share experiences, and learn from each other. The City benefits because:

- The primary purpose of the program is to share private sector experience and expertise with the City through the ZBMR reports.

- In those instances where City staff is doing an excellent job, the ZBMR teams provide validation for a job being well done.

With regard to benefits to the private sector, in many cases, members of the private sector enter the review process with a preconception that the City is inefficient. In general, once those individuals have interacted with City staff and completed their reviews, their perception of City staff is much higher than when they began. While it benefits them to have a more realistic understanding of City operations, their understanding also benefits the City.

The program does not boast intangible benefits alone; however, for every dollar spent to date in the ZBMR process, the City of San Diego has received over $100 in cumulative direct savings or spendable benefits.

Budget Analysis

To further facilitate budget development and improve communication of the City's goals and objectives, the City Council proposed to expand the budget review process by implementing and participating in "Working Groups" supported by the City Auditor and Comptroller effective Fiscal Year 2002. This review process will be achieved by the cooperative participation of professional, multi-skilled teams formed by members of the City Council, the City Manager, the Financial Management Director, Auditor and Comptroller and other City staff as well as citizen volunteers.

The work scope of these teams is proposed to include an annual in-depth budget review of selected departments and/or other areas of particular interest to the City Council and the public, such as an analysis of the City's procurement practices. This effort will supplement the concurrent analyses conducted by the individual departments of their internal budgets and Financial Management of Citywide budgetary operations.

The Park and Recreation Department and Water Department were the first departments to undergo this program under the direction of Councilmembers Scott Peters, Toni Atkins, and Jim Madaffer. The Park and Recreation Department Budget Work Group Report was first discussed at the April 24, 2002, Rules, Finance, and Intergovernmental Relations Committee Meeting. Councilmember Scott Peters also presented the Park and Recreation Work Groups presentation to the Mayor and City Council in June 2002, at the Fiscal Year 2003 Budget Hearings in conjunction with the Park and Recreation Department's Proposed Budget Presentation. The Water Department Budget Work Group Report was discussed at the April 10, 2002, Rules, Finance, and Intergovernmental Relations Committee Meeting.

Optimization Program

Overview

The Optimization Program was established in 1994 in accord with Council Policy Number 000-30 to insure that City services are delivered through the most effective and efficient means available. To this end, the program serves to ensure the City's service delivery systems are competitive and that City services are delivered at optimal quality and cost to residents, businesses, tourists and visitors.

The Optimization Program functions as an internal management consulting team, providing reengineering, optimization, process improvement, and performance management services to City departments. Comprised of staff with expertise in industrial engineering, organizational development, Total Quality Management (TQM), and the City's budgeting, financial reporting, and auditing processes, the program serves to optimize Citywide service delivery and business operations through the application of innovative performance management strategies. These strategies are reflected in the program's reengineering process described below.

The program is guided by a steering committee, known as the *Optimization Advisory Panel*. Comprised of citizen volunteers from the local business community, representatives from each of the City's labor organizations, and City employees from throughout the organization, this diverse panel supports the program in several key areas, including the identification of City services to be assessed through the program's reengineering process, the performance evaluation of the City's services involved in the reengineering process, and the evaluation of the Optimization Program as a catalyst for positive organizational change.

Cost Savings

The Optimization Program has encouraged departments to look at operations differently and as a result, implemented creative improvements that generate cost savings and/or improve the efficiency of service delivery. The City has been effective in incorporating best practices and private sector perspective to generate savings and create a more competitive government organization. Estimated cumulative savings from the program's initiatives currently stands at $85 million. This represents a payback of $24 for every $1 invested into the program.

Citywide Surveys

In addition to the Program's reengineering services, the Optimization Program administers the City's *Resident Satisfaction* survey. This survey provides our management and elected officials with valuable resident feedback on City services. The survey is described in detail in the Performance Management Program – City Survey Section.

Performance Management Program
Programs Designed to Improve City Operations

Benefits

The Optimization Program serves a valuable role in the City by providing internal, yet independent, assessments of City operations and services. The program achieves employee buy in of the reengineering process while assuring competitive results through objective and independent fiscal auditing. The program complements the Zero Based Management Review (ZBMR) process, often functioning as the change agent to implement details of the broader ideas identified in ZBMR studies. Conversely, the ZBMR process frequently obtains operational insight from the Optimization Program to enhance its macro-level evaluations of City services. Combined, these programs serve as a catalyst for countless process and service level improvements and cost reduction initiatives throughout the City.

Performance Audits

The City Auditor and Comptroller's Office conducts audits of selected performance measures from the City's Performance Based Budgeting Program. During Fiscal Years 2001 and 2002, the Audit Division audited several performance measures and provided suggestions to City departments on how to improve cost tracking, data reporting, and consistency. More performance audits are planned for Fiscal Year 2003.

Service Efforts and Accomplishments (SEA)

This report, issued annually since 1998, provides information on ten City departments that provide direct services to the public. These include City Attorney, Environmental Services, Fire and Life Safety Services, General Services, Library, Metropolitan Wastewater, Park and Recreation, Police, Transportation, and Water.

The Service Efforts and Accomplishments document is intended to provide San Diego residents with meaningful information on the performance of key City services and to assist the Mayor and City Council, as well as City management, in making more informed budgetary policy decisions. The report is an excellent supplement to the City's Annual Budget, and the April 2002 report can be accessed through the City's website at http://www.sandiego.gov/city-manager/service-efforts/.

In addition to information on each department's accomplishments and service efforts, the report includes:

- Basic information about departmental programs and services
- Trends, issues, and goals
- Staffing and expenditure history
- Performance measures, including some monthly performance indicators
- Comparison to other jurisdictions
- Optimization and Zero Based Management Review efforts
- Resident Satisfaction Survey results

The report also contains information about the City's Optimization Program, as well as an appendix that provides general statistical information for benchmarking partners. Finally, the Semi-Annual Performance Report (SAPR) of 44 indicators representing twelve City departments is now a part of the SEA.

Citywide Automation Efforts

The City's Chief Information Officer (CIO), positioned at the Deputy City Manager level, provides management focus on information technology (IT) and is responsible for overseeing the Technology Services Business Center. The CIO led the development of the City's first IT Strategic Plan and is now directing its implementation, which includes the major initiatives described below.

Information Technology (IT) Strategic Plan

The City's first IT Strategic Plan was approved by the City Council in Fiscal Year 2002 and the implementation phase will be the focus of Fiscal Year 2003. The plan addresses three primary areas that work together to provide the City's framework for information technology: (1) IT Governance – defining the City's structure to effectively and efficiently manage technology, (2) IT Enterprise Architecture Plan that will provide a decision support tool for IT planning, management and development processes, and (3) Technical Initiatives – providing an overview of specific technology projects that will enhance the City's internal operations and external services. Four key technology areas have been identified that will assist the City in achieving its IT goals and objectives over the next three to five years: (1) Customer Relationship Management, (2) e-Government, (3) Wireless Technologies, and (4) Expanded Geographic Information Systems (GIS). These technology themes are integral to over 35 initiatives, including the major projects highlighted below.

Working in partnership with SDDPC, the City is continuing to identify opportunities to reduce Citywide costs without adversely impacting department operations. A consolidated approach to providing desktop systems, including file, print, email and Helpdesk services, is being piloted to refine procedures and determine the optimal rate structure. After reviewing the benchmark results, the "Seat Management" approach can be deployed Citywide to reduce long-term costs and provide improved service levels for many departments. The City and SDDPC are also looking at opportunities to share the underlying infrastructure for database and application servers, again improving the quality of service while managing long-term costs.

IT Governance Structure

The new IT Governance structure created a high-level, management committee to provide a Citywide focus on technology matters, plus supporting technical and business committees to provide the necessary review and recommendations to management, enabling business-driven IT decisions. This governance framework will result in: (1) clearer decision-making processes with appropriate input from all stakeholders, (2) improved monitoring of IT projects and budgets, (3) better support for Citywide IT standards, policies, and procedures, and (4) opportunities to maximize the benefits from significant IT investments.

Performance Management Program
Programs Designed to Improve City Operations

IT Service Delivery Organization

The City is working jointly with San Diego Data Processing Corporation (SDDPC) in defining a sourcing strategy that identifies the goals for who will be providing which services. This initiative will detail and clarify the roles and responsibilities for both City and SDDPC staff in providing IT services, and develop service level agreements with clearly defined performance metrics. This new organization will minimize duplication of effort, improve accountability, reduce staffing costs, and result in more efficient operations.

IT Program Management Office (PMO)

The City has implemented an IT Project Management Office (PMO) to better manage IT projects. The PMO will establish processes and provide resources to help ensure the success of IT projects, minimize the risks of increased project scope, higher costs or schedule delays, and ensure the City's business ownership for IT project outcome. The City PMO will work with the SDDPC PMO in developing joint procedures and method-ologies derived from industry "best practices" to provide effective project management, resulting in an increase in the successful implementation of IT projects.

e-Gov (Electronic Government)

The mission of e-Government is to transform the City's business processes and change from being department-centric to becoming citizen-centric, focusing on providing elec-tronic services that meet the needs of citizens doing business with the City, anywhere and at any time. One of the underlying themes of the IT Strategic Plan is to have as many City systems Web-enabled as possible, making access easier for both City staff and citizens. The e-Gov initiatives encompass the use of technologies and an enhanced infrastructure that allow increased access to electronic services, resulting in greater citizen participation in government, improved customer service, and greater economic development. While some of the efforts provide improved departmental operations, the intent is to focus on the resulting benefits to the public (citizens, businesses, tourists, and other agencies). Below are only a few e-Gov initiatives being implemented in Fiscal Year 2003 that will move the City forward in providing better electronic services.

The City's recently redesigned web site can be accessed at: www.sandiego.gov.

Electronic Bill Presentment & Payment (EBPP)
The City is implementing the structure and systems necessary for citizens to review and pay routine bills electronically. Initially, customers can pay their water/sewer bills with this innovative new service. The system may incorporate other payments, such as busi-ness taxes and rental taxes in the future. In addition to enabling payment at the City's web site, citizens can pay their bills at their favorite online bill payment portal that will seamlessly deposit their payment at the City's bank and financial systems. The benefits of this new EBPP system include increased convenience, reduced costs for printing and distribution, and improved payment compliance and business processes.

Enterprise Portal

In conjunction with other e-Gov initiatives, the City will be implementing an enterprise portal during Fiscal Year 2003, first for its internal Intranet and then for the public Internet web site. This will provide citizens with a single "door" to City information and services, improved navigation and access to up-to-date information, reduce transaction costs, and it will give customers more choices in selecting services, including how and when they are delivered.

The technology behind the portal allows for integration and selection of data across the various City departments and brings together different system applications into a common point. The ability of the portal to access related information brings "business intelligence" to City operations and improves both decision-making and service delivery to citizens.

e-Permits (Electronic Permits)

Beginning in August 2001 the Development Services Department implemented an electronic permit system where citizens can apply and pay for simple permits that do not require plans. This e-Gov service is available at the City's web site (www.sandiego.gov) and is expected to result in benefits for both homeowners or contractors who only need a simple permit processed promptly without a visit to City Hall.

Injury Tracking & Safety System (ITSS)

The Risk Management Department is currently implementing a replacement information system designed to track information related to Workers' Compensation, Injury Tracking, and Liability programs. This ITSS project will implement a new system that effectively automates previously manual processes and allows employees easy access to information about their worker's compensation claims. The system will provide the benefits of: (1) reduced time for processing claims, (2) reduced delays that cause claims payments, and (3) reduced total number of claims and injuries using proactive efforts, including early problem identification (analyzing trends) and safety training for targeted at-risk work groups. These results will provide improved employee health and safety, which in turn lowers costs. The system is scheduled to come online in March 2003.

Criminal Records Management System (CRMS)

This new, online records management system will enhance the Police Department's capabilities for data collection, retrieval, and analysis of criminal records. The system will streamline and improve operations by minimizing redundant data capture/entry. Crime-related reports taken by officers in the field will be captured electronically at the initial entry, and then can be transferred to centralized and regional public safety and justice agencies' systems. The benefits include more timely and accurate information that can be used in solving crimes and analysis of crime trends for prevention and public safety education programs. The Criminal Records Management System (CRMS) will reach completion in 2004.

Information Technology Enterprise Architecture Plan (ITEAP)

The City is working with San Diego Data Processing Corporation (SDDPC) to develop an IT Enterprise Architecture Plan that will provide a decision support tool for IT planning, management and development processes. The ITEAP, a key initiative of the City's IT Strategic Plan (ITSP), will enable the City to make better IT decisions, help achieve long term cost reductions in the total cost of IT services, provide a framework to support the

rapid delivery of new IT services and help achieve organization-wide buy-in and support of IT decisions and strategic directions. The architecture will address applications, data and technical infrastructure, providing technology recommendations for a five-year horizon based on the City's business requirements. Following the guiding principles identified in the City's IT Strategic Plan, the ITEAP will develop application standards to ensure location based data is GIS enabled, ensure that City services can be web-enabled, provide the capability for applications to be delivered through an enterprise portal, and develop processes for maintaining the ITEAP and standards consistent with the architecture.
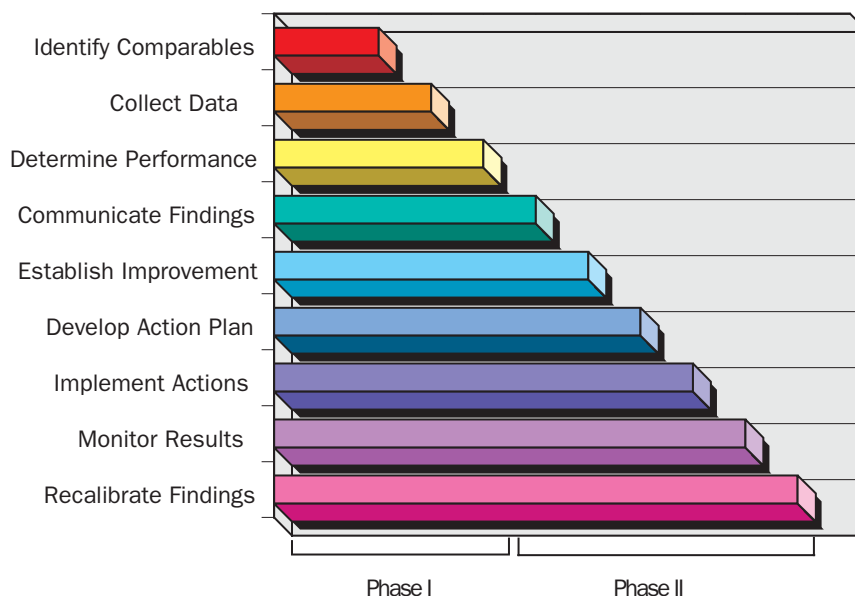
Benchmarking

Foreword

An important pillar in becoming "A City Worthy of Our Affection" is the commitment to implement a continuous, systematic process for evaluating the quality and cost of services and products delivered by the City and comparing them with private and public industry leaders. This process is known as benchmarking and includes identifying and incorporating changes within the organization that will place the City among the industry leaders.

Often there are misconceptions regarding the benchmarking process, originally developed by Xerox Corporation. This section provides an overview of the comprehensive corporate-style benchmarking methodology used by the City. Case studies are presented which describe how City staff has approached each of the nine steps in the benchmarking process and illustrate how the results have transformed some business units into industry benchmarks.

What is Benchmarking?

Benchmarking is a continuous, systematic process used to evaluate the quality and cost of services and products delivered by the City and compare them with private and public industry leaders. Benchmarking is a time-consuming, labor-intensive process requiring discipline and commitment from the leadership of an organization in order to make the necessary changes to become an industry leader. By conducting benchmarking projects, the City strives to insure the highest quality services are provided to the taxpayers at optimum costs.

THE BENCHMARKING PROCESS

Performance Management Program
Benchmarking in the City of San Diego

One of the common misconceptions of benchmarking is that the entire process involves a one-time comparison of a few performance measures that typically result in an organization unilaterally changing procedures to improve performance. In reality, collecting comparison data is only a small piece of the benchmarking process. Benchmarking cannot be, by definition or practice, a quick and easy one-time event that provides simple answers to the City's complex operations.

San Diego's approach to benchmarking is similar to the process developed by Xerox and utilized by corporations across the country. The process involves making comparisons between the industry leaders, conducting a full analysis of the performance gap between the City and the best-in-class performers, identifying process differences, and adopting changes in procedures required to close the gap and make the City competitive. This process was not developed to occur on a one-time basis, but should be conducted continually in order to keep pace with changing industries and business practices. The following table and text outline the nine steps that comprise the continuous improvement effort of the benchmarking process.

Step 1 – Identify Comparables
The first step in the benchmarking process is to identify what will be compared and to insure that the organization is committed to providing adequate resources to conduct the benchmarking process. Some business units in the City begin the process by identifying simple comparisons between their operation and other select government agencies and privately operated organizations in a limited assessment of a broad range of functions. This is a less expensive means to identify gaps in performance and perhaps determine the focus of a more defined benchmarking project.

Step 2 – Collect Data
The second step in the benchmarking process involves collecting data from other organizations that can be compared against the City of San Diego. To be successful at this step, all business units in the City must establish performance measures that allow for comparison with other organizations. The development of a Performance Based Budget provides the foundation required to accomplish this step. The City contacts other municipalities and private industry leaders in order to make comparisons and identify industry benchmarks. This effort includes the collection of both quantitative and process data.

Step 3 – Determine Performance
Once data has been collected from private and municipal organizations, it is compared against the City's operations. These analyses allow the City to determine if there is a gap between the performance levels of the City and the best industry performers. In cases where the City is believed to be the industry benchmark, this process confirms perceptions through the use of quantitative data.

Step 4 – Communicate Findings
Communication is the key to process improvement. Although this is identified as a separate step, communication with employees is essential from inception of a benchmarking project. It is from this point forward that communication is critical to the success of the project. It is also helpful to inform employees of the steps involved in this process, and critical to convey the changes that are occurring in the organization and how these changes may impact their work. Employees often have information necessary to successfully change baseline operations.

Step 5 – Establish Improvement

Once findings have been communicated to the employees, the organization begins to discuss and explore specific areas of improvement. The procedures and products of the industry benchmarks are analyzed for applicability to the organization. Cost benefit analyses are conducted to determine the most efficient and effective operations. Ideas are discussed with employees who are impacted in order to insure the feasibility of any changes and to generate additional ideas for improvement. This two-way communication typically allows employees to develop concepts into workable solutions and action plans.

Step 6 – Develop Action Plan

An action plan assists departments in developing an organized approach to implement change within their operation. An action plan usually describes what is going to be accomplished, how it will be accomplished and who is responsible for implementation.

Step 7 – Implementation Schedule

As with the action plan, an implementation schedule allows the organization to establish specific time lines and goals related to the action items. In addition, the relationships between action items are identified. The schedule should indicate if action items are implemented sequentially or simultaneously, thus providing early identification of coordination required among those involved in the effort.

Step 8 – Monitor Results

Determining the success of the benchmarking process is contingent on how well the organization monitors the results of the change efforts. Performance measures must be established and tracked from the inception of the project. The City has established several committees and procedures to assist in monitoring the benchmarking efforts. These committees consist of community members, business leaders and City staff from several departments, who review and advise departments throughout competitive benchmarking projects.

Step 9 – Recalibrate Findings

Benchmarking is a continuous optimization effort. Driven by technology, changing business practices and customer needs, the benchmarking process allows the organization to remain current with on-going changes in the industry, manage streams of information, tailor production, and evolve as industry leaders.

The case study included on the following pages is based on the competitive assessment process pursued by the water distribution system in the City's Water Department. This study provides highlights of the implementation of benchmarking, as well as performance measures, and other change efforts leading to achieving the goal of departments improving operations to become competitive and one of the best well run organizations in the industry.

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Benchmarking in the City of San Diego

SAN DIEGO CASE STUDY
Water Distribution System, Water Department

Background

In Fiscal Year 1999, the Water Department completed a comprehensive competitive assessment effort, which resulted in the development and implementation of an optimization plan. The optimization plan outlines how the distribution system will achieve greater efficiencies in the future and identifies key performance measures from which to evaluate the overall success of distribution system operations.

One of the key components of the assessment effort was an external review of system operations. This approach included a benchmark comparison of the distribution system versus other public and private utilities. The following information highlights the nine-step benchmarking process that contributed to the identification of key performance objectives and operational improvements.

Step 1 – Identify Comparables
The survey was designed to gather enough data to provide indicators as to a well-run facility. The survey included data on:

- Utility Demographics
- System Configuration
- Utility Organization
- Budget
- Labor Force Statistics
- System Approaches

Step 2 – Collect Data
Targeted agencies were identified from a list of privately operated agencies, best in class publicly run agencies, and agencies with similar demographic considerations. These agencies were sent a survey, which was developed by a joint project team comprised of distribution employees and staff from an independent consulting firm. The survey contained 50 questions, which covered demographics, infrastructure, operations, personnel and inventory.

Public Agencies:
- Phoenix, AZ
- East Bay MUD, CA
- Los Angeles – Water & Power
- Otay, CA

Private Sector:
- Indy Water, IN
- Cal Water Services, CA
- Bridgeport Hydraulics, CN

Industry Leaders:
- Cincinnati Water, OH
- Louisville Water, KY
- Denver Water, CO
- Boston, MA

Step 3 – Determine Performance

In order to insure the distribution system stays on track in regard to its commitments of increased efficiency, the division has implemented the performance measures and associated target values listed below.

- Water service interruptions restored within 24 hours   90%
- Yearly number of customer complaints of color   228
- Yearly number of customer complaints of taste/odor   204
- Yearly number of customer complaints of pressure   1000
- Percent of non-revenue generating water   <8%
- Pumping Efficiency (kWhr/mg pumped)   216

Step 4 – Communicate Findings

Throughout the assessment effort, employee participation was utilized and proved key to the identification and implementation of process improvements. Participation was accomplished through the establishment of several task forces/teams comprised of Distribution Division employees. These teams were tasked with addressing specific areas of the assessment effort that evaluated the overall organization and productivity efforts of the operation.

The Water Department continues to encourage employee participation and communicates critical water-related issues with staff through the distribution of monthly newsletters, Department Business Meetings, Safety Meetings, and various training programs. Additionally employee feedback is sought regularly in areas that impact water service delivery.

Step 5 – Establish Improvement

The Water Distribution System assessment effort focused on several key components:

- historical analysis of distribution system expenditures,
- fully allocated cost analysis,
- external (benchmarking) and internal review,
- development of an optimization program that outlines how the distribution system will achieve greater efficiencies in the future, and
- identification of key performance measures from which to evaluate the overall success of distribution system operations.

Although the benchmarking component was only one task within the comprehensive assessment effort, the information leveraged from the industry, combined with the operations' historical use of performance measures allowed for the development of a list of system wide performance indicators, which evaluate the effectiveness of the overall system.

Divided into such areas as customer service, system quality, system dependability and economic efficiency measures, these indicators will serve as benchmarks for comparing progress in system productivity and efficiency over time and serve as a framework for comparative analysis with other water agencies.

Performance Management Program
Benchmarking in the City of San Diego

Step 6 & 7 – Develop Action Plan and Implementation Schedule

ACTION PLAN	IMPLEMENTATION SCHEDULE
1. Develop a cross-trained multi-skilled workforce Existing positions reorganized into more versatile work groups by geographic service areas.	The reorganization of major sections is complete.
Establishment of a new job classification series which will require individuals to demonstrate and maintain a high degree of proficiency in distribution system O&M activities.	A new job classification series is currently under implementation. This will result in a more flexible and prepared labor force to meet current and future State and Federal regulations.
2. Materials Management Establishment of a centralized materials management section, which will be responsible for managing construction materials consumed on a regular basis by operations and maintenance staff.	A centralized materials management section has been established.
3. Employee Responsibility and Decision Making Re-emphasize the commitment to clearly defined employee accountability and decision-making standards.	Daily work logs are turned into supervisors that contain a description of the work performed and the time that the job was started and completed. Operation accounts are used by employees to track expenditures.
4. Rewards and Recognition Ensure that a department-wide program is in place that recognizes employees for achieving perfect attendance, outstanding performance, safety, years of service and providing exemplary customer service. The recognition of employee contributions is critical to achieving long term improvements in operations.	The Rewards and Recognition Program was developed in 1998 with input from employees. The Rewards and Recognitions committee is comprised of a representative(s) from each of the five divisions within the Water Department. The program undergoes yearly revisions to keep in continuous alignment with the department's goals.
5. Vision Goals and Objectives/ Performance Accountability Re-emphasize and reinforce the overall Water Department vision.	A performance measurement system is in place that ties the actions of staff to tangible measures, which support the overall goals of the department. Additionally, a monthly newsletter ("Water Drops"), highlighting department issues, is distributed to all Water Department employees with paychecks.

Step 8 – Monitor Results

As part of its overall commitment to process improvement and operational efficiency, the Department monitors its performance objectives on an annual basis. The following table summarizes the Water Distribution Systems performance. There is no target for "Number of main breaks" and "Operation & Maintenance (O&M) costs per million gallons (MG)". Although a decline in breaks is expected over the long term, it was not practical to set a target for main breaks due to system variations caused by the impact of the Capital Improvements Program (CIP) to upgrade/replace water mains. The Water Distribution O&M costs include variables subject to significant change from year-to-year such as system improvements, increases or decreases in liability claims, and increases in reimbursable operations. However, in the long run, with the completion of capital projects and the resulting increase in system reliability, it is anticipated that there will be a decline in O&M costs.

PERFORMANCE GOAL	TARGET	FY '98	FY '99	FY '00
1. Percent of water service interruptions restored within 24 hours	90%	72%	90%	97%
2. Yearly number of customer complaints of water color	228	251	123	230*
3. Yearly number of customer complaints of taste/odor	204	77	282	1029*
4. Yearly number of customer complaints of pressure	1000	998	370	1850*
5. Percent of time all federal and state standards met	100%	100%	100%	100%
6. Number of main breaks per year	**	138	194	192
7. Percent of non-revenue generating water	<8%	3.15%	3.5%	5.1%
8. Pumping Efficiency (kWhr/mg pumped)	216	174	196	206
9. O&M cost per MG	**	$419	$482	$411

*An increase in complaints of color, taste/odor and pressure was expected due to several planned system improvements undertaken in recent years.

**Although a decrease in this performance goal category is anticipated over time, it was not practical to establish a target value due to the impact of the Capital Improvements Program.

Step 9 – Recalibrate Findings

Annual performance monitoring and the development of a variety of performance tools and reports, continue to demonstrate the Water Department's commitment to measuring its success and evaluating the impact of change efforts.

In addition to the Annual Performance Report developed specifically to address system-wide optimization commitments, the Water Operations Division, which includes the Water Distribution System, distributes Work Standards Reports that capture work performed by crews each accounting period. Each job included in the report has a set standard that is used to gauge the efficiency of daily work. These reports are used as a tool for supervisors to monitor job performance, improve efficiency, track cost effectiveness, and

evaluate job task procedures. The reports are continuously refined and expanded in order to develop the most effective methods of providing the highest quality services to the citizens of San Diego.

The Water Department is currently in the process of developing a Bid to Goal Program to optimize operations. Through the Bid to Goal Program the department's objective is to foster team orientation, improve productivity, decrease expenditures, measure results and assure accountability. During the first year, benchmarking and best practice analyses will continue to be conducted. On going efforts will continue in order to refine improvements.

Comparison With Other Jurisdictions

As stated in the case study described above, the important beginning steps in a thorough benchmarking process are to identify comparables and collect data. The following graphs are provided to show service comparisons to other major/western cities. These cities were selected because they have similarities in size, operations, location, and/or demographics to San Diego. Benchmarking, along with performance measurement, can result in better service delivery and more efficient and effective operations.

Every year, the City of San Diego publishes the Service Efforts and Accomplishments (SEA) document. Many of the following graphs are from that document.

POPULATION SERVED – FISCAL YEAR 2001
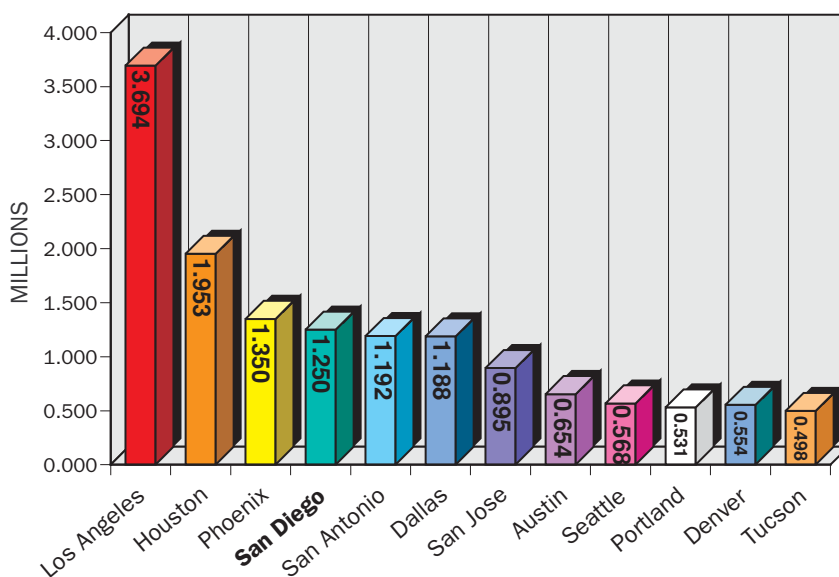
*Revised from previous estimates.
Source: State Department of Finance.

As of January 2002, San Diego is the seventh largest city in the nation and the second largest city in California. The State Department of Finance estimates that in Fiscal Year 2002, the City provided services to a population of 1,255,700, including a diverse representation of many ethnic and cultural groups.
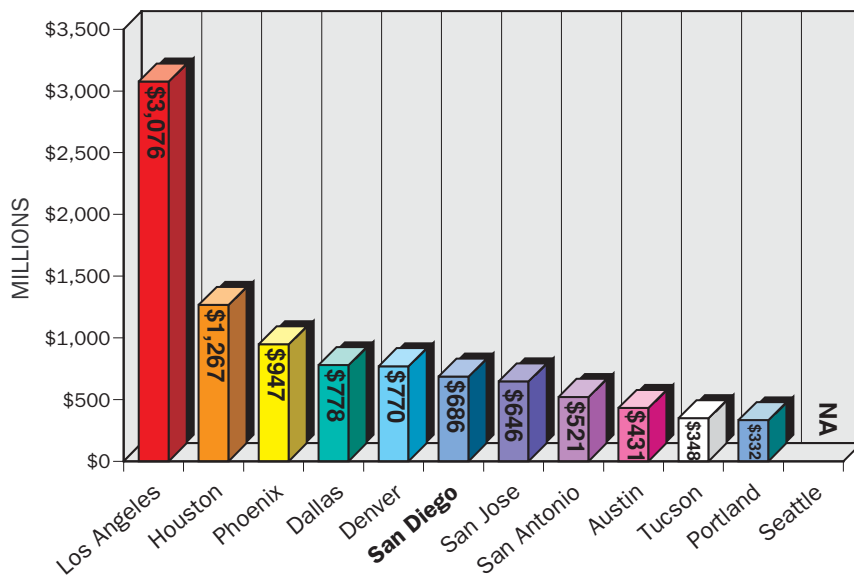
SQUARE MILES SERVED – FISCAL YEAR 2001
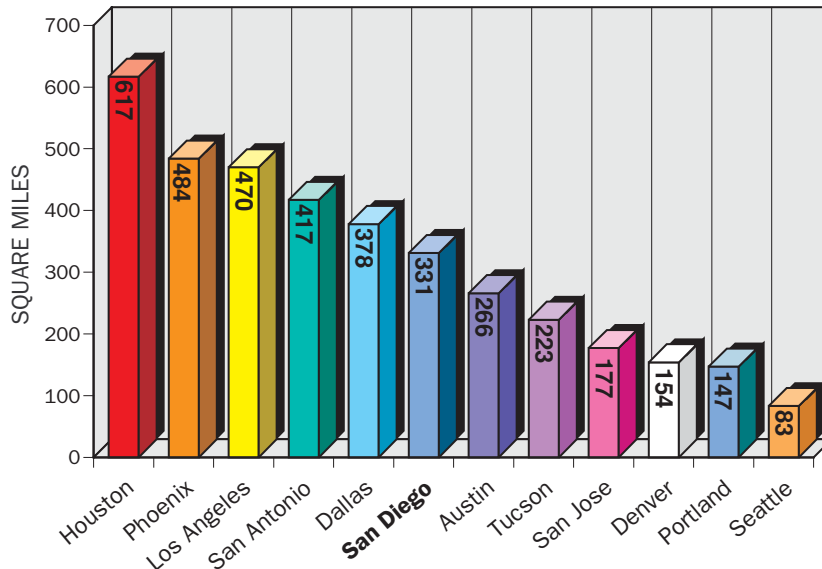
With its boundaries extending north to Del Mar, east to La Mesa, south to Mexico, and west to the Pacific Ocean, the City of San Diego serves 331 square miles.

GENERAL FUND ACTUAL EXPENDITURES – FISCAL YEAR 2001

The figure for the City of Denver is an estimate.

The City's General Fund consists of revenues from Property Tax, Sales Tax, Transient Occupancy Tax, rents and leases, motor vehicle revenues, and other fees and charges. These revenues are then appropriated to various City departments, with approximately half being spent on Public Safety (Police and Fire and Life Safety Services). The remainder supports Environmental Services, Park and Recreation, Library, Neighborhood Services, and Support Services.

Performance Management Program

Benchmarking in the City of San Diego

GENERAL FUND ACTUAL EXPENDITURES PER CAPITA – FISCAL YEAR 2001
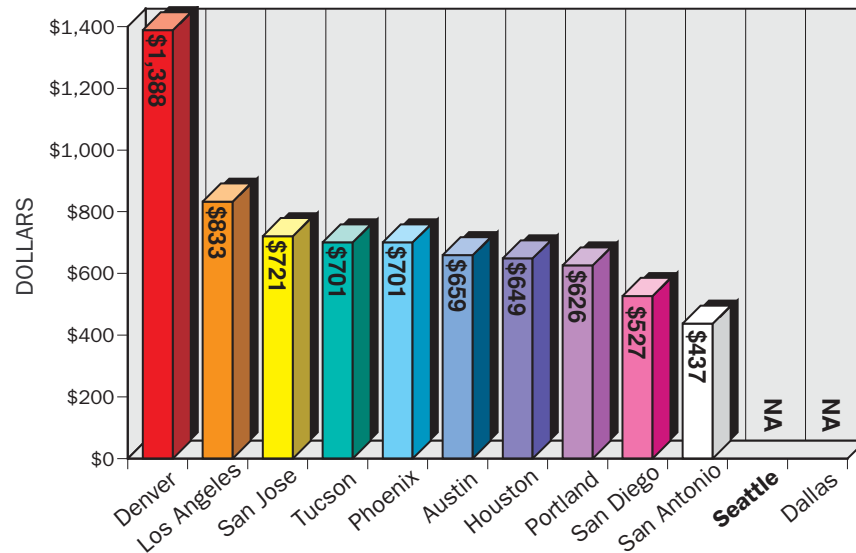
The Fiscal Year 2001 actual per capita General Fund expenditure for San Diego is $527 per resident.

BOND RATING – FISCAL YEAR 2001
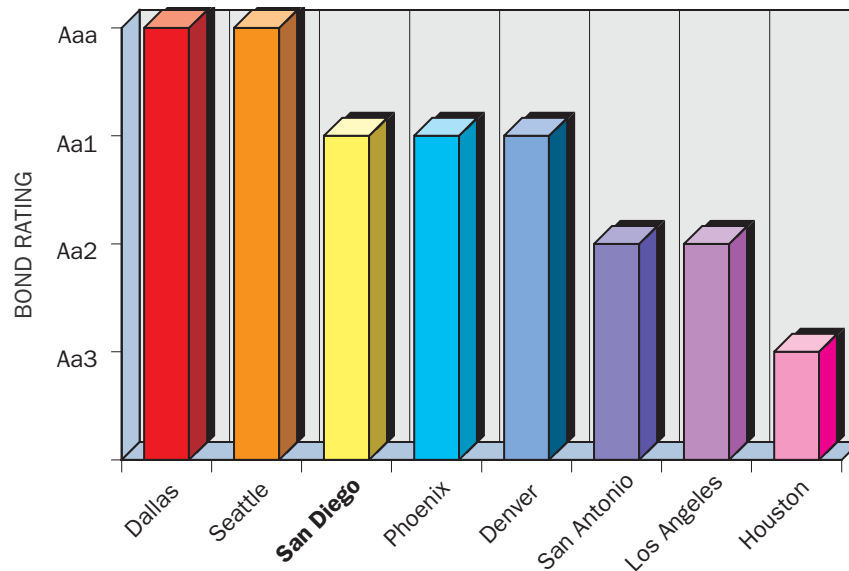
For Fiscal Year 2001, the City of San Diego's general obligation bond rating of Aa1, as assigned by Moody's Investors Service, represents a very strong credit rating, particularly in light of the revenue raising constraints imposed by state law on California cities. The City has been assigned comparable general obligation bond credit ratings of AAA by Fitch IBCA and AA by Standard & Poor's Ratings Services. The City's credit ratings are currently the highest among the large cities in California.

TRANSIENT OCCUPANCY TAX RATE (TOT) – FISCAL YEAR 2001

DOLLARS

City	Rate
Houston	$17.00
Seattle	$15.60
Chicago	$14.90
Los Angeles	$14.50
Washington D.C.	$14.50
Atlanta	$14.00
San Francisco	$14.00
Denver	$13.45
New York	$13.25
Miami Beach	$12.50
Boston	$12.45
Sante Fe	$12.44
Las Vegas - strip	$11.00
New Orleans	$11.00
San Diego	$10.50
Las Vegas - downtown	$9.00
Honolulu	$7.25
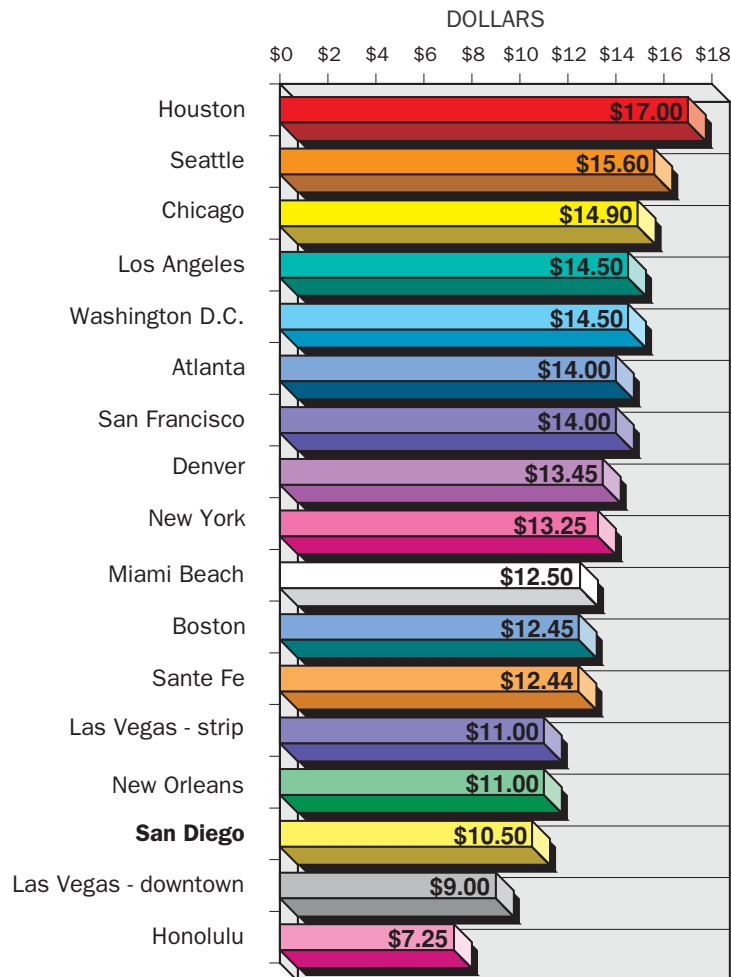
Since 1964, the Transient Occupancy Tax (TOT) has been imposed on occupants of hotel and motel rooms in the City of San Diego. The proceeds are used primarily for the purpose of promoting the City. The current tax on room rentals is 10.5%. TOT revenues are to be used in the following manner: four cents must be used only for promotion of the City; one cent may be expended for any purpose directed by the City Council; and five and one-half cents is deposited in the General Fund for general government purposes.

Performance Management Program

Benchmarking in the City of San Diego

NUMBER OF FIRE STATIONS – FISCAL YEAR 2001
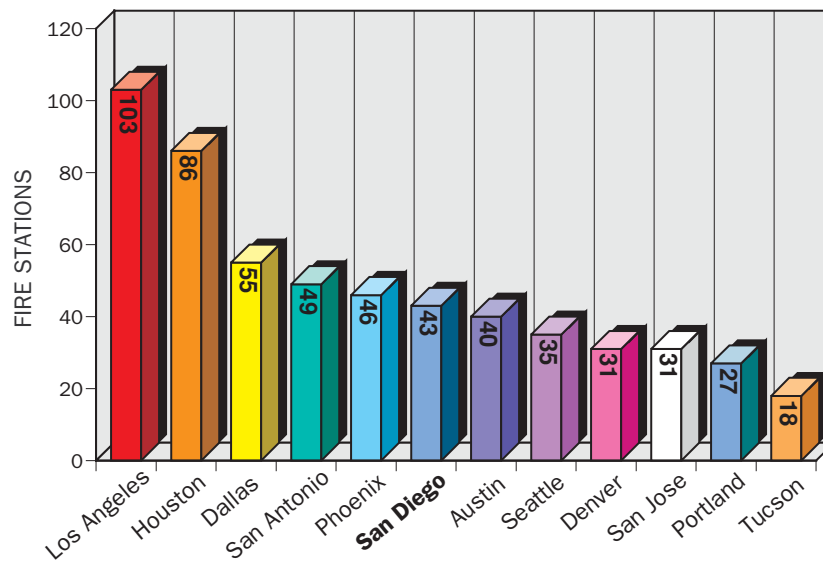
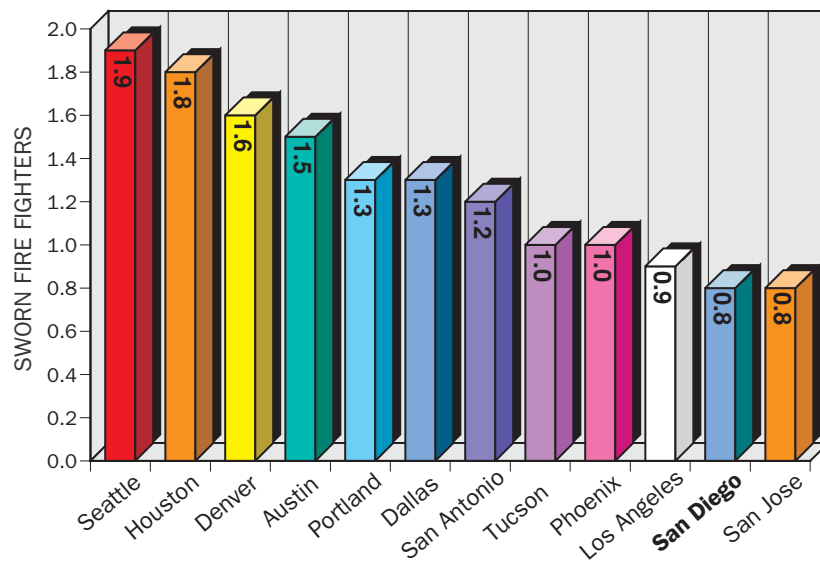San Diego ranks sixth in the number of fire stations among the cities surveyed, with a total of 43 fire stations.

NUMBER OF SWORN FIREFIGHTERS PER 1,000 POPULATION – FISCAL YEAR 2001

Of those cities surveyed, San Diego ranks twelfth in terms of the number of sworn fire fighters per capita, with 0.8 firefighters per 1,000 residents.

COST-LOSS INDEX FOR MAJOR WESTERN U.S. CITIES – FISCAL YEAR 2001
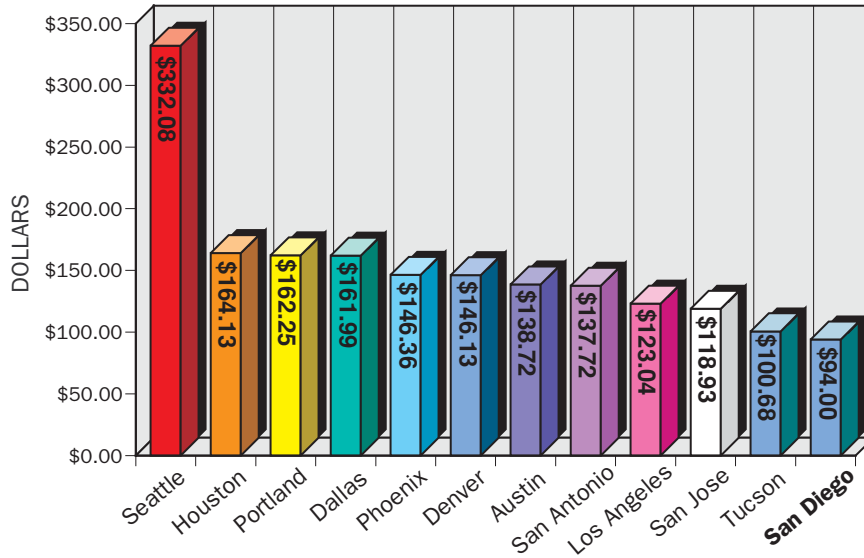
Fire and Life Safety Services conducts an annual survey of large metropolitan fire departments in the Western United States. The cost-loss index reflects the Fire and Life Safety Services operating budget per capita plus the fire dollar loss per capita. The cost-loss index of $94 shows the lowest cost from fire loss to property owners among the cities surveyed. San Diego has consistently ranked well in the cost-loss index among large Western U.S. fire departments since 1993.

NUMBER OF RESIDENTS SERVED PER FIRE STATION – FISCAL YEAR 2001
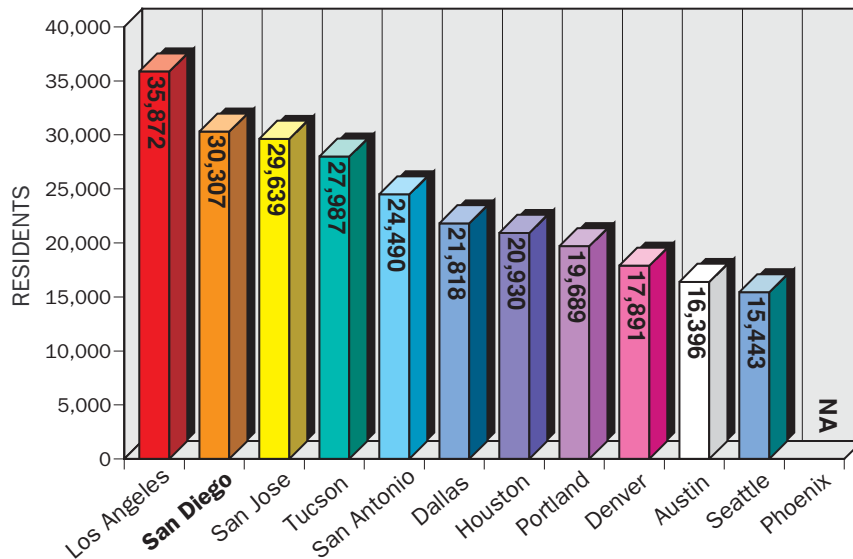
San Diego ranks second among the cities surveyed in terms of the number of residents served per fire station, with an average of 30,307 residents served per fire station.

Performance Management Program

Benchmarking in the City of San Diego

LIBRARIES PER CITY – FISCAL YEAR 2001
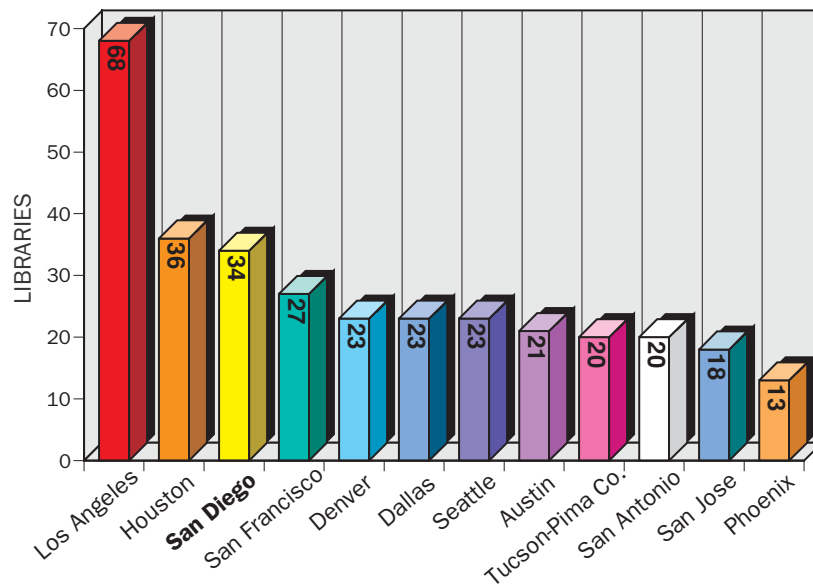
The information provided for Tucson is representative of the entire Pima County library system.

San Diego ranks third in number of library facilities, with a Central Library and 34 branches. Although Los Angeles and Houston operate more branches, their populations are substantially greater.

TOTAL CIRCULATION OF LIBRARY MATERIALS – FISCAL YEAR 2001

The information provided for Tucson is representative of the entire Pima County library system.

San Diego has the fifth highest annual circulation at 6,381,062 of those libraries surveyed.

Performance Management Program
Benchmarking in the City of San Diego

TOTAL ATTENDANCE IN LIBRARIES – FISCAL YEAR 2001

Bar chart titled MILLIONS (y-axis):
- Los Angeles: 12,151,013
- San Diego: 6,459,838
- Tucson-Pima Co.: 6,000,000
- San Francisco: 5,515,580
- Seattle: 5,247,983
- Houston: 4,950,687
- Phoenix: 3,775,469
- San Antonio: 3,252,738
- Austin: 3,059,708
- Dallas: 2,871,039
- San Jose: NA
- Denver: NA

The information provided for Tucson is representative of the entire Pima County library system.
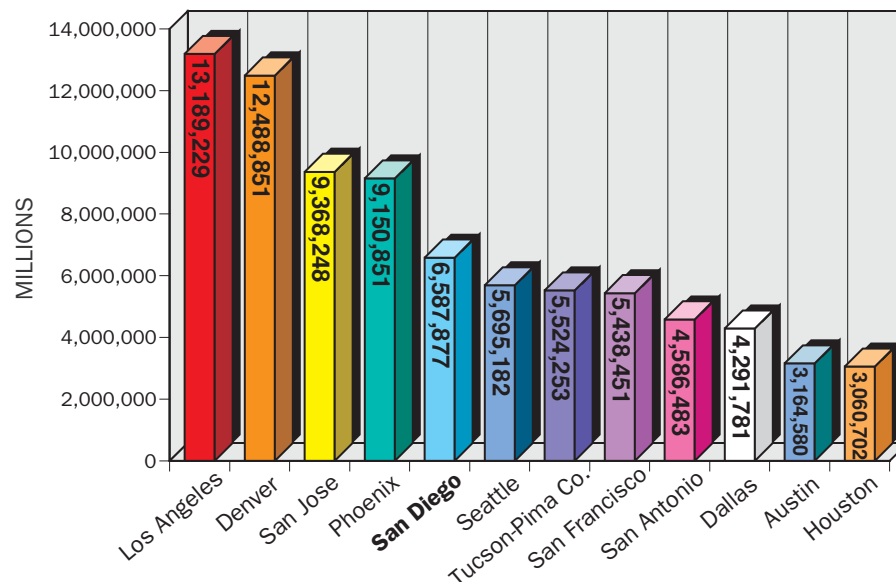
San Diego ranks second in annual attendance of those libraries that track attendance. Although Los Angeles has 86% greater attendance than San Diego, its population is three times greater.

LIBRARY EXPENDITURES PER CAPITA – FISCAL YEAR 2001
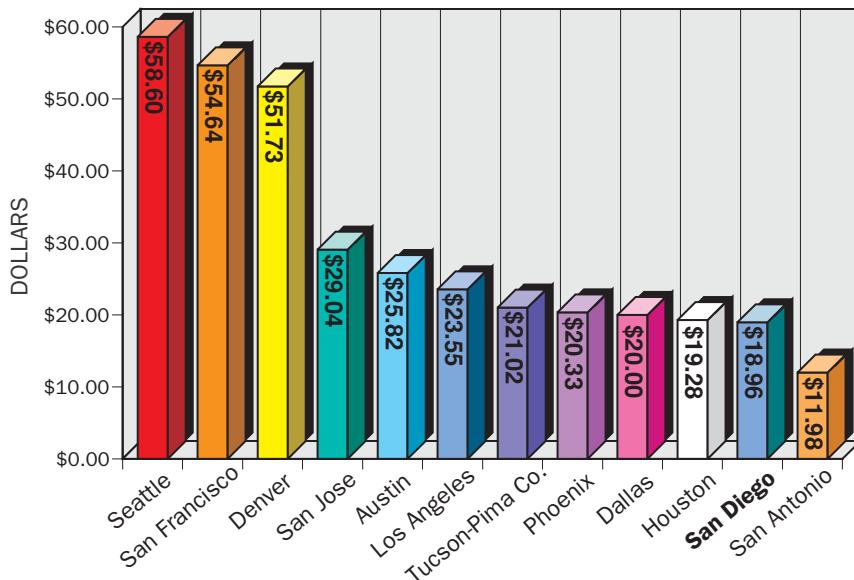
Bar chart titled DOLLARS (y-axis):
- Seattle: $58.60
- San Francisco: $54.64
- Denver: $51.73
- San Jose: $29.04
- Austin: $25.82
- Los Angeles: $23.55
- Tucson-Pima Co.: $21.02
- Phoenix: $20.33
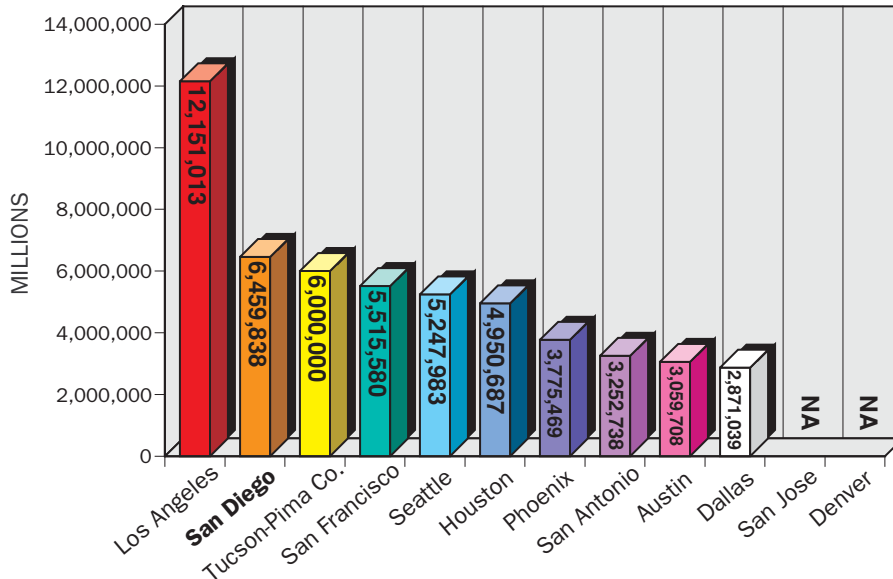- Dallas: $20.00
- Houston: $19.28
- San Diego: $18.96
- San Antonio: $11.98

The information provided for Tucson is representative of the entire Pima County library system.

San Diego ranks eleventh in per capita expenditures, with only one-third the spending level of Seattle.

Performance Management Program

Benchmarking in the City of San Diego

AVERAGE MONTHLY RESIDENTIAL SEWER BILL – FISCAL YEAR 2001

City	Amount
Dallas	$35.73
Honolulu	$33.35
San Diego	$29.81
Seattle	$26.94
Los Angeles	$20.24
Austin	$16.82
San Antonio	$14.30
Phoenix	$12.07
San Francisco	$10.42
Houston	NA
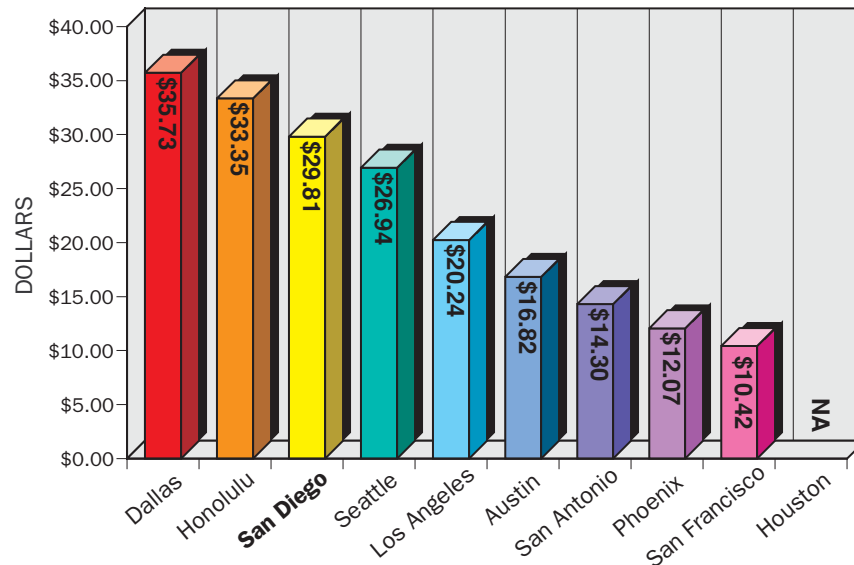
The information provided for San Francisco is for the Public Utilities Commission, billing information includes Single Family Homes
(no rate increase since 1999).
The information provided for Austin is based on 6,000 gallons per month.
The information provided for Phoenix takes into account various taxing levels (average excludes tax).

MILLIONS OF GALLONS OF SEWAGE TREATED PER DAY (MGD) – FISCAL YEAR 2001
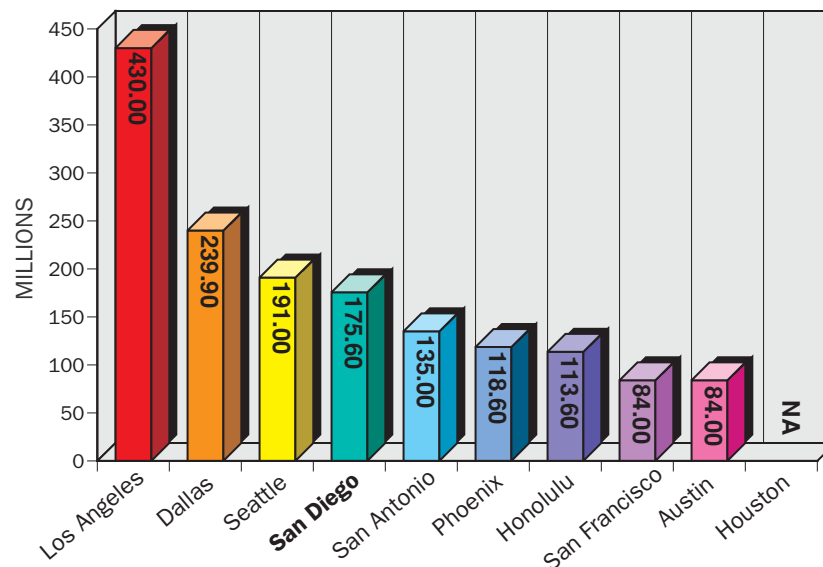
City	Millions
Los Angeles	430.00
Dallas	239.90
Seattle	191.00
San Diego	175.60
San Antonio	135.00
Phoenix	118.60
Honolulu	113.60
San Francisco	84.00
Austin	84.00
Houston	NA

The information provided for San Francisco is for the Public Utilities Commission.

RECREATION CENTER OPERATION HOURS – FISCAL YEAR 2001

Bar chart titled "HOURS" showing recreation center operation hours:
- Tucson: 82.00
- Los Angeles: 80.00
- Phoenix: 75.00
- Miami-Dade Co.: 72.00
- Clark County: 72.00
- Austin: 65.00
- San Diego: 61.70
- Seattle: 61.00
- Dallas: 60.00
- Houston: 51.00
- San Antonio: 45.00
- Long Beach: 43.00
- Oklahoma City: 42.00
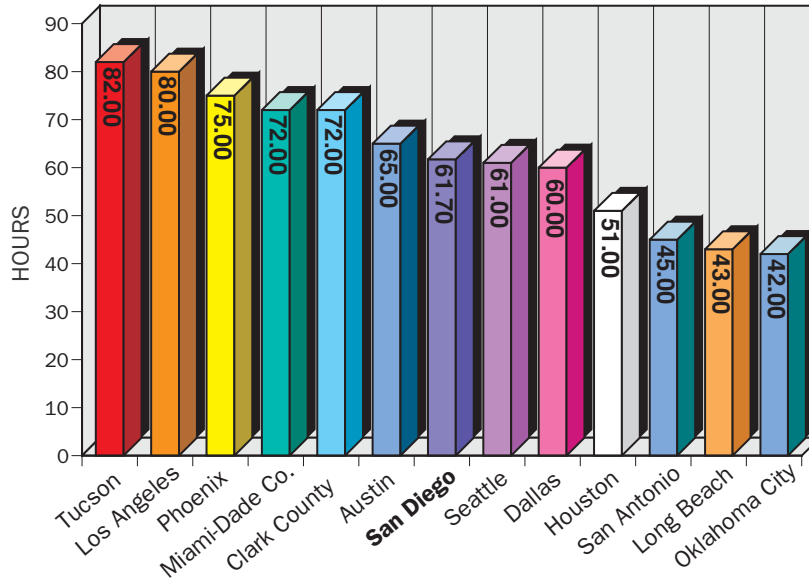
San Diego opens its recreation centers on average of 61.70 hours per week. The average of all the cities surveyed was 62.3.

CRIME INDEX RATE PER 1,000 POPULATION – FISCAL YEAR 2001

Bar chart titled "CRIME INDEX RATE" showing crime index rate per 1,000 population:
- Dallas: 93.8
- Seattle: 82.4
- Phoenix: 75.0
- San Antonio: 72.3
- Houston: 68.6
- Austin: 63.2
- San Francisco: 55.3
- Denver: 49.6
- Los Angeles: 48.0
- San Diego: 36.6
- San Jose: 25.7
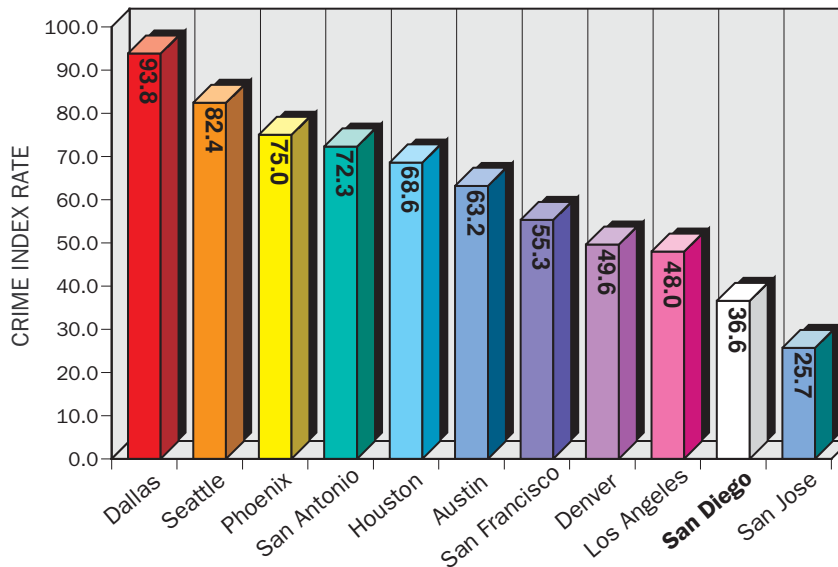
The Crime Index Rate is the total number of reported index crimes (murder, rape, robbery, aggravated assault, burglary, theft, and vehicle theft) per 1,000 population. San Diego's crime rate is compared to that of ten other large western United States cities.

Performance Management Program

Benchmarking in the City of San Diego

SWORN POLICE OFFICERS PER 1,000 POPULATION – FISCAL YEAR 2001
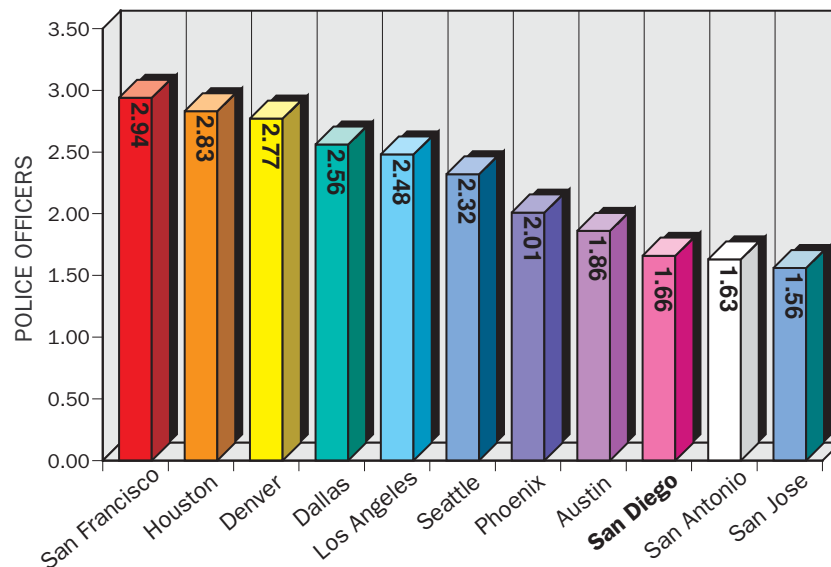
Note: Information represents Calendar Year 2000.
Source: Crime in the United States, 2000.

MILES OF WATER MAINS – FISCAL YEAR 2001
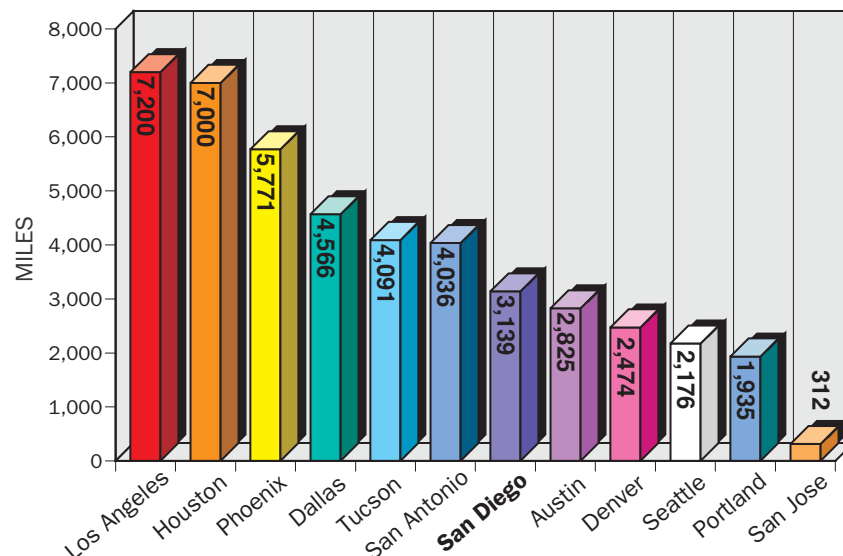
This graph compares each water agency's total miles of water mains that deliver potable water to all customers. San Diego's water mains range from the 72-inch Shepherd Canyon Pipeline, to six-inch residential distribution lines.

Citywide Surveys

Citywide Surveys are an important part of an ongoing effort and commitment by the City of San Diego to provide the highest quality of services to its residents, businesses, and visitors. The City has conducted the Resident Satisfaction Survey for the last seven years. This survey has provided elected officials and management with:

- Information for establishing level of service

- Objective data for determining the City's performance

- Continuous, valid, and reliable feedback from the residents of San Diego

Department Customer Surveys

In addition to the Citywide survey efforts, many departments develop and administer more specific surveys to receive input directly from their customers. A department generally conducts surveys on a regular basis – such as annual or biennial – or after a specific service is provided (such as a class or training session). Survey results may be viewed in the Performance Measures section of each department commentary in Volumes Two and Three of the Annual Budget document.

Citywide Resident Satisfaction Survey

The City conducts an annual survey to determine the residents' level of satisfaction with major services, perceptions of safety, and attitudes about the quality of life in San Diego. In November 2001, the seventh annual Citywide Resident Satisfaction Survey was completed. The results from approximately 600 telephone interviews indicate a continuing positive attitude residents have about City services compared to previous surveys.
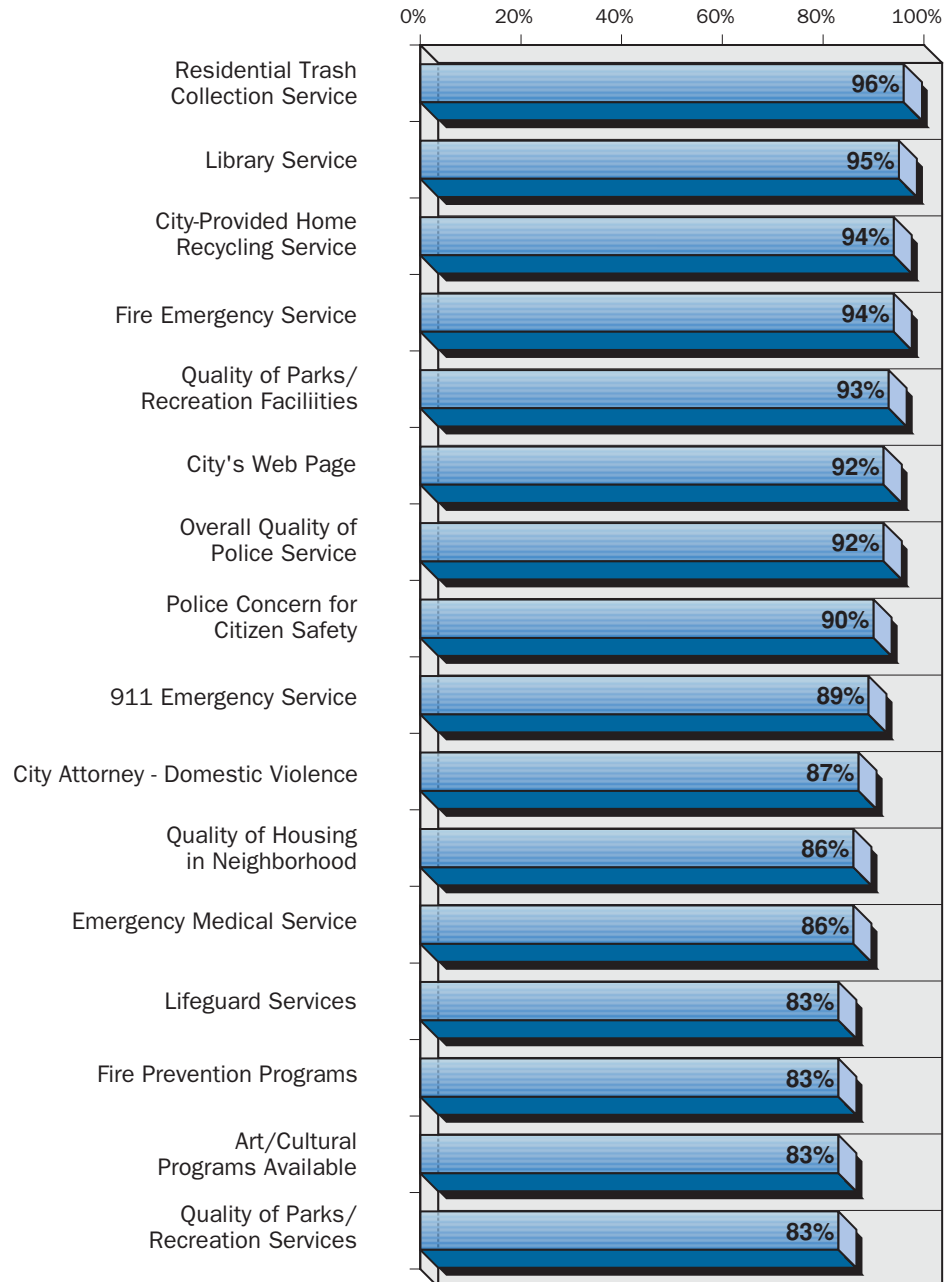
This survey effort addresses the following issues:

- Attitudes about the quality of life in San Diego

- Overall satisfaction with the City's performance in providing services

- Satisfaction with 35 specific City-provided services

- Residents' demographics

- Attitudes about safety in San Diego

- Utilization of selected City-provided services and facilities

Performance Management Program
Citywide Surveys

SATISFACTION WITH CITY SERVICES (TOP RATED)

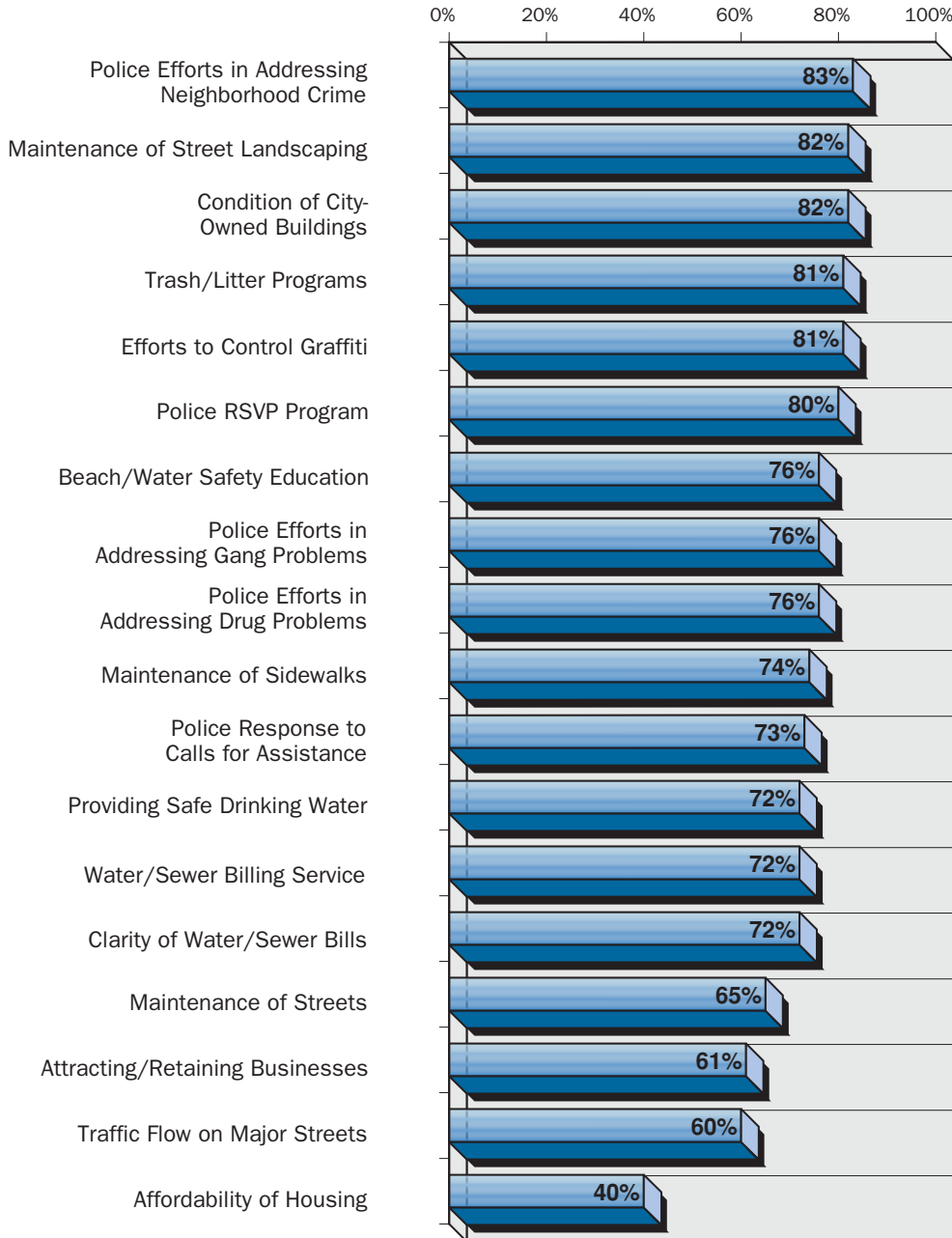| Service	Percentage
Residential Trash Collection Service	96%
Library Service	95%
City-Provided Home Recycling Service	94%
Fire Emergency Service	94%
Quality of Parks/ Recreation Faciliities	93%
City's Web Page	92%
Overall Quality of Police Service	92%
Police Concern for Citizen Safety	90%
911 Emergency Service	89%
City Attorney - Domestic Violence	87%
Quality of Housing in Neighborhood	86%
Emergency Medical Service	86%
Lifeguard Services	83%
Fire Prevention Programs	83%
Art/Cultural Programs Available	83%
Quality of Parks/ Recreation Services	83%

Percentages represent the combination of "Very" and "Somewhat Satisfied" responses with the exception of "Fire Emergency Service" and "911 Emergency Service," which represent the combined percentage of "Very" and "Somewhat Confident" responses.

SATISFACTION WITH CITY SERVICES (OTHER SERVICES)

Service	Percentage
Police Efforts in Addressing Neighborhood Crime	83%
Maintenance of Street Landscaping	82%
Condition of City-Owned Buildings	82%
Trash/Litter Programs	81%
Efforts to Control Graffiti	81%
Police RSVP Program	80%
Beach/Water Safety Education	76%
Police Efforts in Addressing Gang Problems	76%
Police Efforts in Addressing Drug Problems	76%
Maintenance of Sidewalks	74%
Police Response to Calls for Assistance	73%
Providing Safe Drinking Water	72%
Water/Sewer Billing Service	72%
Clarity of Water/Sewer Bills	72%
Maintenance of Streets	65%
Attracting/Retaining Businesses	61%
Traffic Flow on Major Streets	60%
Affordability of Housing	40%

Percentages represent the combination of "Very" and "Somewhat Satisfied" responses with the exception of "Attracting and Retaining Businesses and Jobs," which represent the combined percentage of "Excellent" and "Good" responses.
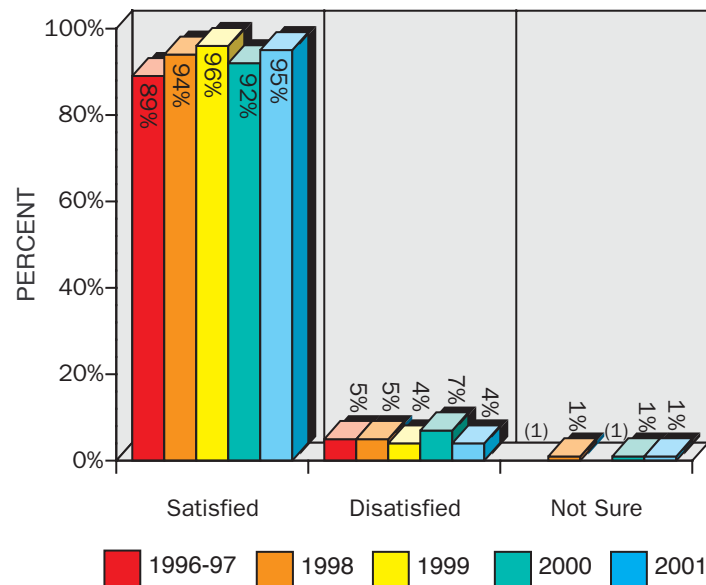
Performance Management Program
Citywide Surveys

Overall Satisfaction with City Services

In the 2001 survey, more than nine out of 10 San Diego residents (95%) indicate that they are either very satisfied (47%) or somewhat satisfied (48%) with the services the City provides. This satisfaction rating has remained at over 90 percent for the past four years.

Demographically, overall satisfaction with the services the City provides does not drop below 92 percent within any population subgroup. This response pattern indicates broad-based satisfaction with City services among residents.
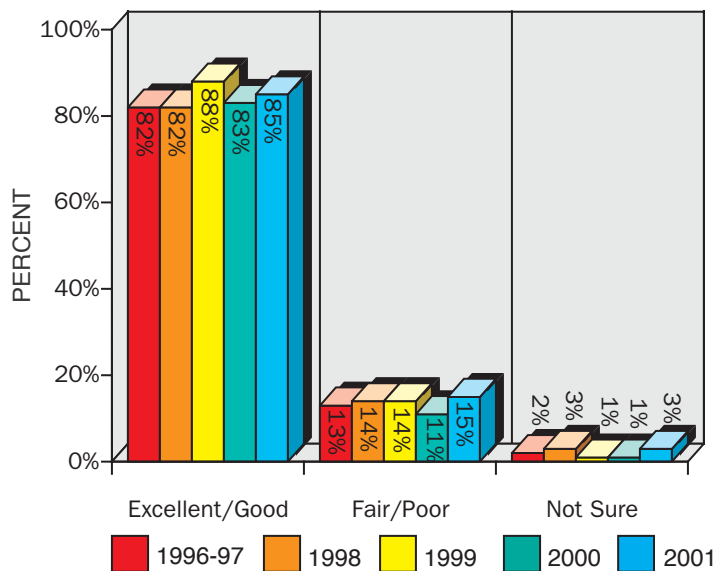
OVERALL SATISFACTION WITH CITY SERVICES

Quality of Life in San Diego

San Diego residents continue to rate the quality of life in the City very highly, with over eight out of ten residents (85%) indicating it is either excellent (44%) or good (41%) compared to other large cities in California. Positive response to San Diego's quality of life has remained 80 percent or higher since the start of the studies in 1995.

When residents' attitudes about the quality of life in San Diego are analyzed by demographic subgroups, only a few variations are revealed. Only in two subgroups does positive response drop below 80 percent – among lower-income residents (73%) and residents 65 or over (78%).

QUALITY OF LIFE IN SAN DIEGO

Excellent/Good: 82% (1996-97), 82% (1998), 88% (1999), 83% (2000), 85% (2001)
Fair/Poor: 13%, 14%, 14%, 11%, 15%
Not Sure: 2%, 3%, 1%, 1%, 3%

Legend: 1996-97, 1998, 1999, 2000, 2001

Performance Management Program
Citywide Surveys

RESPONDENT DEMOGRAPHIC INFORMATION FOR THE 2001 CITYWIDE RESIDENT SATISFACTION SURVEY		
	Survey Sample	**City of San Diego** [1]
Gender		
Male	50%	50%
Female	50%	50%
Age		
18 to 35	36%	35%
35 to 49	32%	32%
50 to 64	18%	18%
65 and over	14%	15%
Ethnicity		
White	55%	59%
Hispanic	28%	20%
Asian/Other	9%	13%
African American	8%	8%
Income [2]		
Under $25,000	24%	27%
$25,000 to $34,999	20%	14%
$35,000 to $49,999	17%	19%
$50,000 to $74,999	20%	20%
$75,000 and over	19%	20%
Years in San Diego		
Five or less	25%	N/A
Six to 15	28%	
Over 15	47%	
Employment		
Employed	63%	N/A
Not working [3]	22%	
Retired	15%	
Home		
Own/buying	52%	N/A
Rent	48%	

[1] 2000 U.S. Census.
[2] Source: San Diego Association of Governments (SANDAG) estimates, 1999.
[3] Homemaker, student, or unemployed.